DOCUMENT RESUME

ED 469 789 CE 082 137

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TITLE	The Continuing Problems with Part-Time Jobs. EPI Issue Brief.
INSTITUTION	Economic Policy Inst., Washington, DC.
REPORT NO	EPI-155
PUB DATE	2001-04-24
NOTE	5p.
AVAILABLE FROM	Economic Policy Institute, 1660 L Street, NW #1200, Washington, DC 20036. For full text: http://www.epinet.org/Issuebriefs/ib155/ib155.pdf.
PUB TYPE	Reports - Evaluative (142)
EDRS PRICE	EDRS Price MF01/PC01 Plus Postage.
DESCRIPTORS	*Career Development; Career Ladders; Economic Climate; *Employed Women; Employer Employee Relationship; Employment Level; Employment Opportunities; Employment Patterns; Employment Practices; Flexible Working Hours; Fringe Benefits; Low Income; Males; *Part Time Employment; Promotion (Occupational); *Salary Wage Differentials; Sex Differences; Underemployment
IDENTIFIERS	Full Time Employment; Pension Plans

ABSTRACT

Most research in the area of nonstandard work arrangements continues to find differences in wages, benefits, and career prospects between full-time and part-time (PT) workers. Wages and fringe benefits are almost always lower for PT workers. Women who work PT are 88% less likely and men are 86% less likely to receive health insurance or a pension and are less likely to be provided career-building opportunities. At least some of the workers who claim they prefer PT work, in reality choose full-time jobs when available, as shown during the latest economic expansion when voluntary PT work declined from 18.4% in the second quarter of 1995 to 16.9% in the second quarter of 1999. PT jobs are concentrated in low wage occupations and industries; 17.5 of PT workers have combined family incomes of less than 15,000 a year. Restructuring PT employment by providing prorated benefits and opening up new industries and occupations and ensuring that workers who choose PT work do so without compromising their careers, pay, or benefits may make PT employment a winning strategy for both employers and employees. (CG)

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ED 469 789

EPI Issue Brief

Issue Brief #155 Economic Policy Institute April 24, 2001

THE CONTINUING PROBLEMS WITH PART-TIME JOBS

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TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

by Jeffrey Wenger

While a handful of recent studies have attempted to explain away the inequities between full-time and part-time work arrangements, most research in the area of nonstandard work arrangements continues to find important differences in wages, benefits, and career prospects between full-time and part-time workers. Since nearly one in every five workers (BLS 2001) is employed on a part-time basis, these differences have far-reaching consequences for the U.S. workforce.

People choose part-time jobs for a variety of reasons, often because part-time work offers the only way workers can balance competing job and family demands. Taking care of children or elderly parents is nearly impossible when employed in a job that requires a 40-60 hour per week commitment. Since women typically are responsible for this kind of child and elder care, it is not surprising that they account for approximately two-thirds of the part-time workforce (BLS 2001).

Unfortunately, choosing part-time employment comes at a considerable cost for these workers, primarily in the form of lower wages, lack of health and pension benefits, diminished opportunities for advancement, and limited access to higher-wage industries.

The costs of working part time

Hourly wages are considerably lower for part-time workers. Women who have the same levels of education and experience and who have comparable family structures (i.e., married, divorced, number of dependents, etc.) earn, on average, 20% less than their full-time counterparts (Hudson 2000). But recent research has suggested that, when comparing the wages of part-time workers to full-time workers *in the same occupation and industry*, the pay gap is much smaller (Hirsch 2000). Although this finding may be accurate, it is of limited usefulness since it accounts for just wages alone and not for total compensation (wages plus benefits) or career advancement opportunities. In the end, part-time jobs are less about employers' efforts to ease the "time crunch" facing

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workers and more about helping employers cut costs. Ultimately, choosing part-time work is almost always synonymous with choosing a lower-paying job.

Part of the costs saved by employers comes from reducing the availability of health care and pension benefits for part-time workers. Although some part-time workers receive health insurance benefits from their employers (17%), many more (59%) receive health insurance via a spouse working full time (GAO 2000). Even after accounting for personal characteristics (i.e., age and education) as well as industry and occupation, women who work part time were 88% less likely and men 86% less likely to receive health insurance or a pension (Hudson 2000). It also should be noted that those part-time workers who receive health insurance coverage through a spouse do not typically get this coverage for free — workers must usually pay additional and typically high premiums for family coverage. In the end, though, nearly one-fourth of workers employed part time have no health insurance at all.

Pension coverage tells an even more dismal story: only 21% of part-time workers are included in their employers' pension plan. With Social Security estimated to replace only 40% of a worker's final income (BLS 2001), in the long run sacrificing pension coverage is an expensive tradeoff for part-time workers.

To make matters worse, part-time workers are provided fewer career-building opportunities because they are seen as less committed to the firm and therefore less deserving of good assignments and promotions. Consequently, a real "glass ceiling" exists for part-time workers, as their future earnings potential is undermined by choosing this kind of work arrangement.

The fact that part-time employment shrank during the recovery in the 1990s offers further evidence of the inferior quality of these jobs. During economic expansions, workers who would normally choose part-time work (i.e., voluntary part time) opt instead for more remunerative and rewarding full-time jobs. This certainly proved true in the latest economic expansion, when voluntary part-time work declined from 18.4% in the second quarter of 1995 to 16.9% in the second quarter of 1999. This trend indicates that at least some of the workers who claim they prefer part-time work in reality choose full-time jobs when available.

Gender and part-time work

When women choose part-time jobs, they face a limited set of employment options. In fact, half of all women who work part time do so in just 10 out of a possible 236 industries (**Table 1**). By comparison, only a third of all full-time women workers are employed in these same industries, suggesting that these jobs are not the top occupational choices. Table 1 shows that the industries in which part-time workers are most likely to be employed are also the lowest paying and often lowest skilled. A weighted average of wages in these 10 industries yields a wage rate of $8.27 — fully 20% less than the median wage for all workers.

For men, part-time work presents a very different picture. Nearly 70% of men employed part time would prefer regular, full-time employment (BLS 2001). While men face many of the same obstacles that women face — poor job choices, low pay, limited benefits — they usually accept these jobs because full-time work is unavailable. As with women, many men working part time are underemployed, stuck in jobs that fail to provide wages, benefits, or opportunities comparable to those available in full-time employment.

Part-time work and access to high-skill, high-wage jobs

Since access to high-skill, high-paying jobs for part-time workers is limited, it should come as no surprise that, once the industries and occupations in which part-time workers are employed is taken into consideration, much of the

TABLE 1
Top 10 industries employing women in part-time jobs, 1999

Industry	Percent of part-time women workers	Median hourly wage
Eating & drinking places	12.20%	$5.70
Elem. & secondary schools	8.80	9.60
Hospitals	5.70	16.00
Department stores	4.30	6.50
Grocery stores	4.30	6.50
Colleges & universities	3.90	7.75
Private household services	3.10	7.30
Health services (miscellaneous)	2.80	8.73
Nursing & personal care	2.70	7.85
Child day care	2.30	6.50
Total	**50.10%**	
Median wage (all workers, all industries)		**$10.35**

Source: Author's analysis of 1999 CPS ORG data using three-digit, detailed industry classification codes.

wage differential between full-time and part-time workers is reduced. For example, it is unlikely that a part-time sales clerk and full-time sales clerk have vastly different wages, since both full- and part-time workers in this industry are typically paid low wages. Researchers who believe that industry and occupation account for much of the wage differential assume that these jobs are the best fit for the employee's abilities and skills. Yet it is possible that the part-time sales clerk is underemployed, i.e., having skills or abilities beyond the requirements of the job.

The bottom line

No matter how the differences are explained, most part-time workers take home disproportionately less pay, receive fewer benefits, and have fewer long-term career opportunities than their full-time counterparts with similar education, experience, and personal characteristics. While part-time jobs give the illusion of choice, these choices are often so limited as to be of little value to workers. It is especially discouraging to know that 17.5% of part-time workers have *combined* family incomes of less than $15,000 a year, leaving most of these families living (and working) in poverty (GAO 2000).

Part of the solution to these problems involves restructuring part-time employment. A first step would be to provide benefits to part-time workers, which could be done fairly by prorating benefits based on the number of hours worked. Perhaps more importantly, though, would be to open up new industries and occupations to part-time employment. If part-time work was available in a wider variety of occupations and industries, then these work arrangements might be seen as real choices for workers. To accomplish this, many employers will have to adopt more flexible staffing strategies, ensuring that workers who choose part-time work do so without compromising their careers, pay, or benefits. Employers may find that increasing access to part-time work improves their ability to recruit and retain workers during periods of low unemployment, making this a winning strategy for both employees and employers.

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Title: Continuing Problems with Part-Time Jobs

Author(s): Jeffrey Wenger

Corporate Source: Economic Policy Institute

Publication Date: 04/2001

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